The Virgin Islands Consortium

Senate President Calls For Submittal Of Mapp's 2018 Budget

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ST. THOMAS -- As the territory's finances receives growing international scrutiny, Senate President Myron Jackson, in a release issued Tuesday, called on Governor Kenneth Mapp to make haste in forwarding to the Legislature his administration's 2018 budget, already two months late.

According to a Fitch announcement Monday, the Virgin Islands government's credit and bond ratings remained on "negative watch" due to lack of documentation to support key financial items, as the major rating agency determines if the territory should be downgraded even further.

Pursuant to Title 2, Chapter 2, Section 24, subsection (b) and Chapter 12, Section 251 of the Virgin Islands Code, a balanced budget for the Government of the Virgin Islands is to be submitted to the Legislature by May 30th or otherwise authorized. Almost two months later, Mr. Jackson said he is still waiting for the delivery of the executive budget.

“As of today I have received no official correspondence explaining the lengthy delay in submission of the 2018 Budget for the Government of the Virgin Islands,” Mr. Jackson said. “With the territory’s bonds being at risk of further downgrading, it is critical that we get a real sense of spending plans over the next fiscal year and have a clear picture of our financial condition as it stands.”

From conception to execution, the budget process for the Government of the Virgin Islands normally takes approximately 10 months, from December to September of the previous fiscal year, according to Mr. Jackson.

In a separate release also issued today, Senator Kurt Vialet, chairman of the Committee on Finance, said the Mapp administration's 2018 budget should be received by the Senate by Friday. In his release, Mr. Vialet asked that commissioners and directors refrain from presenting non-pertinent information and to come prepared to thoroughly discuss financial issues relative to their respective departments or agencies, to include the following:

1. Use or non-use of federal funds 2. Number of employees and their role to the agency 3. Number of per diem employees 4. Number of vacancies 5. Use of Government vehicles 6. Contracts 7. Vendor listing 8. Fund balances 9. Lease or rentals 10. Utilities

“I am looking forward to a robust, productive series of finance budget hearings,” he said.

In explaining the budget process, Mr. Jackson said members of the governor’s financial team – including directors of the Office of Management and Budget, the Internal Revenue Bureau, the Division of Personnel, and the Bureau of Economic Research; the finance commissioner; chief negotiator of the Office of Collective Bargaining, and lieutenant governor and governor liaisons – meet to analyse past economic trends and revenue and develop revenue projections.

He further explained that in December, the Office of Management and Budget starts setting budget ceilings for all departments and agencies for the upcoming fiscal year, followed in January by hosting budget orientation sessions with commissioners, directors, fiscal and program staff in both districts, and analysts are assigned to each government agency. In February departments and agencies should have developed their spending plans within the guidelines. In March and April, those individual budgets are submitted to OMB for review and recommendations. In May the budgets are finalized in consultation with the Governor, compiled, and prepared for printing, with messages from the Governor and OMB Director.

The Legislature, through its Committee on Finance, begins to hold hearings on the proposed executive budget, and may add, change, or delete any item in the budget from June to September, as it is forwarded through committee to the full body. By September 30, the budget and accompanying legislative bills should be approved and signed into law by the governor.

“This delay puts a strain on the time the Legislature has to thoroughly vet the fiscal measures sent by the governor in time for the September 30 deadline,” Mr. Jackson said. “As such, I am asking that it be submitted immediately so that we can begin the process of exercising our due diligence.”